



SCS Global Services Evaluation of Varn Wood Products, LLC Compliance with the SBP Framework: Public Summary Report

Re-assessment

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Completed in accordance with the CB Public Summary Report Template Version 1.4

*For further information on the SBP Framework and to view the full set of documentation see
www.sbp-cert.org*

Document history

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1 Overview

CB Name and contact: SCS Global Services, 2000 Powell St. Ste 600 Emeryville, CA 94608

Primary contact for SBP: Maggie Schwartz, mschwartz@scsglobalservices.com

Current report completion date: 12/Aug/2020

Report authors: Kyle Meister

Name of the Company: Varn Wood Products, LLC

Company contact for SBP: William F. Varn, Jr.

Certified Supply Base: Select Counties in Alabama, Florida and Georgia

SBP Certificate Code: SBP-04-20

Date of certificate issue: 15/Apr/2021

Date of certificate expiry: 14/Apr/2026

This report relates to the Re-assessment

2 Scope of the evaluation and SBP certificate

This certificate covers the production of wood pellets for transportation to the port of Brunswick, Georgia, USA per SBP Standards 1, 2, 4, and 5. It also covers a Supply Base Evaluation for the sourcing of feedstock from 135 counties located in Southern Georgia (84 counties), Northern Florida (48 counties), and Southeastern Alabama (3 counties). The scope includes communication of Dynamic Batch Sustainability Data.

The scope of the evaluation includes the standards cited in Section 4 of this report and, as applicable, related SBP instruction documents. Methods used to evaluate the Biomass Producer (BP) include review of a sample of documents and records, interviews or communications with stakeholders/rightsholder and BP staff and contractors, and observation of operations.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Producer’s management system is capable of ensuring that all requirements of specified SBP Standards are implemented over scope of certification.

The following Critical Control Points (CCPs) were identified and evaluated (edit list as appropriate and describe how the organization controls each point and how it was evaluated). Note that you may identify other CCPs for a particular client which you should also describe in the report:

CCP	Description, including how evaluated by SCS
Processes for procurement and processing, transport and storage	<p>All wood delivered to the adjacent sawmill is tracked in a centralized system. Prior to delivery of round-wood, residual chips, and sawdust to the scale house, the owner name, district of origin (Lat/Long), product type, etc. are obtained from the supplier. All vendors are required to execute a Supplier Agreement with specific terms and conditions related to DDS and SBE requirements.</p> <p>Roundwood is processed into lumber and a residual product of wood chips. The wood chips are conveyed from the adjacent sawmill to the BP facility for storage. The wood chips are then dried and blended with dried shavings (tertiary material from the BP’s adjacent planer mill), hammered, and extruded into pellets. The conversion factors used to allocate the roundwood and secondary and tertiary residuals into pellets are reasonable since they are periodically evaluated using production records.</p>
Volume accounting method	<p>The procedures detail the process to properly maintain the volume credit spreadsheet, with provisions for subtracting certified product sold and for carrying only the past 12 months of credits, in accordance with applicable COC standards.</p>
Documentation of transactions	<p>Records of pellet shipments by truck are recorded, and outgoing transactions of SBP-certified biomass are recorded in the DTS.</p>
Energy data collection and reporting	<p>The organization developed and maintains excel based worksheets to record data values and calculate energy data as required by Standard 5 and keeps records that substantiate the data.</p>

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

- Name of SBP-endorsed Regional Risk Assessment:
- N/A, no SBP-endorsed Regional Risk Assessment.

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Varn Wood Products supplies wood fiber to a pellet mill in Hoboken, Georgia. The company sources sawmill residuals from its sawmill located in Hoboken, GA and from nearby sawmills. Pine is the only species utilized. Inputs: In a given reporting period, 40-60% of the input material may be from PEFC-endorsed standards (SFI and ATFS) and the remaining feedstock is PEFC controlled material. Outputs are SBP Compliant Biomass.

The organisation is a legal entity located in: Georgia, United States of America

The following descriptions and activities apply to the organisation:

Biomass activity	Feedstock sourced	Feedstock claims	Relationship to other SBP-certified biomass producers/traders
<input checked="" type="checkbox"/> Pellet producer & trader <input type="checkbox"/> Stationary/ <input type="checkbox"/> Mobile <input type="checkbox"/> Woodchip producer & trader <input type="checkbox"/> Pellet trader <input type="checkbox"/> Woodchip trader	<input type="checkbox"/> NA, trader only <input type="checkbox"/> Primary <input checked="" type="checkbox"/> Secondary <input checked="" type="checkbox"/> Pre/ <input type="checkbox"/> Post-consumer tertiary	<input type="checkbox"/> NA, trader only <input type="checkbox"/> FSC 100%/Mix Credit <input type="checkbox"/> FSC 100%/Mix Credit <input type="checkbox"/> FSC Mix x% <input checked="" type="checkbox"/> 100% PEFC/Volume Credit <input checked="" type="checkbox"/> SFI <input checked="" type="checkbox"/> ATFS <input type="checkbox"/> Other PEFC (e.g., CSA):	<input checked="" type="checkbox"/> NA, not linked via ownership and/or agreement to other SBP-certified entities; or <input type="checkbox"/> Organisation is linked to other SBP-certified entities via ownership or agreement:

Feedstock is sourced from the following regions by administrative unit:Country(ies)	United States of America
States/Provinces/Territories	Alabama, Georgia, and Florida
Number of counties sourced from in case only a portion of an administrative unit is in the SB	Alabama (3 counties), Georgia (84 counties), and Florida (48 counties).

5.2 Description of Company's Supply Base

Brief description of the Supply Base within the regional context
From the BP's SBR: <i>The Biomass Producer (BP) purchases secondary and tertiary feedstock in the form of pine wood fiber from its sister pine sawmill located adjacent to the wood pellet mill. The sawmill receives pine logs from twenty nine (29) suppliers and/or loggers. The BP, on occasion, purchases secondary pine chips and shavings from three (3) secondary and tertiary suppliers. The supply base includes hundred thirty-five (135) counties (18,557,462 hectares) in Alabama (3 counties), Georgia (84 counties) and Florida (48 counties) within the United States.</i>

Forests are the predominant land use in this supply base (66%). Pine forests comprise the largest forest type (49%) of the supply area's forest followed by hardwood forests (38%). The mixed pine/oak forest comprises 10% of the supply area's forest type while about 3% of the forest is considered non-stocked. About 64% of the supply area's forests are managed as natural forests (7,686,610 hectares) while the remaining 38% of the supply area's forests are artificially regenerated (4,326,487 hectares).

These forests are primarily owned by private individuals, companies or investments groups (81%). Federal and state lands account for about 9% of the forestland each. Local municipalities own a little over 1% of the forestland. The BP purchases its fiber primarily from its sister pine sawmill. Small landowners provide 31% of the fiber furnish to the pine sawmill while large private landowners provide the remaining 69%.

The forest products industry is a very large part of the area's economy and is one of the top industries within the three states generating \$21.3 billion in GA, \$25.05 billion in FL and \$18.4 billion in AL.

State	Number of Wood Using Facilities in State				
	Pulp/Paper	Sawmill	Bioenergy	Chip Mill	Other
AL	13	77	6	8	67
FL	6	37	3	3	25
GA	12	93	13	28	61

The most recent USDA Forest Service Forest Inventory & Analysis (FIA) Timber Products Output (TPO) reported that in 2015 there was a total of 53.38 million greens tons of roundwood harvest within the VWP supply base. The BP uses 0.03% of the overall wood fiber harvested annually in its overall supply area. As previously stated, pine forests dominate the majority of the forests within the supply area. Primary species for these pine forests include loblolly pine (*Pinus taeda*), slash pine (*Pinus elliotii*) and longleaf pine (*Pinus palustris*). No tree species purchased by the BP is listed on the CITES list. Longleaf pine has been added to the IUCN Red List. There are two Alliance for Zero Extinction (AZE) sites identified with the BP's defined supply area that contain aquatic animals that are on the IUCN Red List. These two sites are:

1. *Aucilla Wildlife Management Area* – This AZE site is triggered by Big Blue Spring crayfish (*Procambarus horsti*). This species is on the IUCN Red List and is classified as endangered. The entire known population is confined to this site. The Aucilla Wildlife Management Area covers 50,471 acres in the area between and around the Aucilla and Wacissa rivers. The Aucilla River originates from artesian springs in southern Georgia and becomes a blackwater stream as it twists its way through Florida to the Gulf of Mexico. Aucilla WMA is a mature hardwood forest and is one of the earliest sites of human habitation in North America.
2. *Ocala National Forest* – This AZE site triggered by the Silver Glen Springs crayfish (*Procambarus attiguus*) and the big-cheeked cave crayfish (*Procambarus delicatus*). Entire known population of both species confined to this site. The Ocala National Forest is the second largest nationally protected forest in the state of Florida. It covers 607 square miles (1,570 km²) of Central Florida. The Ocala National Forest, established in 1908, is the oldest national forest east of the Mississippi River and the southernmost national forest in the continental U.S.

Pine forests are typically managed on an even-aged basis with a rotation age of 25 to 30 years. During this rotation the pine stand may be thinned one or two times during the middle of the rotation with a final harvest completing the rotation. Most pine forests are artificially regenerated with pine seedlings planted by hand to defined stand densities. Chemical and/or mechanical site preparation is typically used to manage the less desirable hardwood species and herbaceous species at stand establishment. Chemical treatments are minimal or below label rates; do not kill all competing species and last about two years so

the pine seedlings can become established. Fertilizers are not normally applied to these forests due to costs. Some private investment groups (REITS, TIMOs) may apply fertilizers on forests which are more intensively managed. These intensively managed pine forests represent a very small percentage of the overall pine forests in the supply basin.

Hardwood forests can be managed either as even-aged or uneven-aged stands. Most hardwood stands are 40 to 50 years when harvested if managed as an even-aged stand. No site preparation or fertilizers are used on hardwood forests.

The vast majority of forests in the BP's supply area are managed according to state forestry best management practices (BMPs). All BP suppliers are contractually required to abide by state BMPs. Supplier compliance with state BMPs is verified by periodic audits conducted by the BP. The BP's Sustainable Forestry Initiative (SFI) fiber sourcing certification and procedures require all harvesting professionals to maintain continuing education training on BMPs and other sustainable forestry issues such as wildlife habitats and biodiversity and aesthetics. Overall BMP compliance reported for GA was 94.4% (2019), FL was 99.6% (2017) and AL was 98.3% (2019).

Sustainable forestry certification is present in the BP's supply with the pine sawmill purchasing 63% of its fiber as certified (SFI –46% and ATF – 17%).

Description of how the producer sources feedstock

Sustainable forestry certification is present in VWP's supply with the pine sawmill purchasing 40-60% of its fiber as certified (SFI or ATFS). No FSC certified fiber has been purchased to date. Secondary feedstock is received in the form of pine chips and tertiary as pine shavings from the company's sister sawmill, and five sawmills within the company's supply area.

General description of the forest resources and forest management practices within the Supply Base

Land use and Ownership Status: Forests are the predominant land use in this supply base (66%). Pine forests comprise the largest forest type (49%) of the supply area's forest followed by hardwood forests (38%). The mixed pine/oak forest comprises 10% of the supply area's forest type while about 3% of the forest is considered non-stocked. About 64% of the supply area's forests are managed as natural forests (7,686,610 hectares) while the remaining 38% of the supply area's forests are artificially regenerated (4,326,487 hectares).

These forests are primarily owned by private individuals, companies or investments groups (81%). Federal and state lands account for about 9% of the forestland each. Local municipalities own a little over 1% of the forestland. The BP purchases its fiber primarily from its sister pine sawmill. Small landowners provide 31% of the fiber furnish to the pine sawmill while large private landowners provide the remaining 69%.

The forest products industry is a very large part of the area's economy and is one of the top industries within the three states generating \$21.3 billion in GA, \$25.05 billion in FL and \$18.4 billion in AL.

State	Number of Wood Using Facilities in State				
	Pulp/Paper	Sawmill	Bioenergy	Chip Mill	Other
AL	13	77	6	8	67
FL	6	37	3	3	25
GA	12	93	13	28	61

Socioeconomic conditions: Socioeconomic statistics on the states included in the supply base can be explored on the US Census Bureau's website

(<https://www.census.gov/quickfacts/fact/table/GA,FL,AL,US/PST045219>; viewed 3 August 2020) and from the US Bureau of Economic Analysis (<https://apps.bea.gov/regional/bearfacts/>; viewed 3 August 2020).

For example, the regional economy is dominated by finance and related industries (e.g., insurance), retail trade, business services, education, healthcare, and government sectors. Forestry, agriculture, and manufacturing are nevertheless important parts of the regional economy, especially as they support several several of the industries previously mentioned. There are several sources of information on socioeconomic conditions that are not affiliated with government agencies, such as Investopedia, which maintains statistics on median income and unemployment by state (<https://www.investopedia.com/median-income-by-state-5070640> and <https://www.investopedia.com/unemployment-rate-by-state-4843541>, respectively; both viewed 3 August 2020). Also, see links below under forest composition.

Forest Composition:

Species of Origin	
Common and Scientific Names	
Softwood	
Loblolly pine (<i>Pinus taeda</i>)	
Longleaf pine (<i>Pinus palustris</i>)	
Pond Pine (<i>Pinus serotina</i>)	
Slash Pine (<i>Pinus elliottii</i>)	
Sand Pine (<i>Pinus clausa</i>)	
Hardwood	
Black Cherry (<i>Prunus serotina</i>)	Red Bay (<i>Persea borbonia</i>)
Black Gum (<i>Nyssa sylvatica</i>)	Red Maple (<i>Acer rubrum</i>)
Blackjack Oak (<i>Quercus marilandica</i>)	River Birch (<i>Betula nigra</i>)
Black Oak (<i>Quercus velutina</i>)	River Oak (<i>Casuarina cunninghamiana</i>)
Black Walnut (<i>Juglans nigra</i>)	Shumard Oak (<i>Quercus shumardii</i>)
Cherry Bark Oak (<i>Quercus pagoda</i>)	Southern Magnolia (<i>Magnolia grandiflora</i>)
Chinkapin Oak (<i>Quercus muehlenbergii</i>)	Southern Red Oak (<i>Quercus flacata</i>)
Hackberry (<i>Celtis occidentalis</i>)	Sugar Maple (<i>Acer saccharum</i>)
Hickory (<i>Carya</i> spp.)	Swamp Bay (<i>Persea palustris</i>)
Holly (<i>Ilex opaca</i>)	Swamp Chestnut Oal (<i>Quercus michauxii</i>)
Laurel Oak (<i>Quercus laurifolia</i>)	Sweet Bay (<i>Magnolia virginia</i>)
Live Oak (<i>Quercus virginiana</i>)	Sweet Gum (<i>Liquidambar styraciflua</i>)
Northern Red Oak (<i>Quercus rubra</i>)	Sycamore (<i>Plantanus occidentalis</i>)
Overcup Oak (<i>Quercus lyrata</i>)	Water Oak (<i>Quercus nigra</i>)
Pecan (<i>Carya illinoensis</i>)	Water Tupelo (<i>Nyssa aquatic</i>)
Persimmon (<i>Diospyros virginiana</i>)	White Oak (<i>Quercus alba</i>)
Pond Cypress (<i>Taxodium ascendens</i>)	Willow Oak (<i>Quercus phellos</i>)
Post Oak (<i>Quercus stellata</i>)	Yellow Poplar (<i>Liridendron tulipifera</i>)

Note that the BP only sources pine species (*Pinus* spp.). More information on the composition of the forests of the US Southeast and socioeconomic trends is available from the USDA Forest Service:

1. Ecosystem Provinces: https://www.fs.fed.us/land/ecosysmgmt/colorimagemap/ecoreg1_provinces.html
2. Silvics of North America: https://www.srs.fs.usda.gov/pubs/misc/ag_654/table_of_contents.htm; and
3. Fire Effects Information System: <https://www.fs.usda.gov/rmrs/tools/fire-effects-information-system-feis> and https://www.fs.fed.us/database/feis/pdfs/Little/aa_SupportingFiles/LittleMaps.html.

4. U.S. Forest Resource Facts and Historical Trends:

https://www.fia.fs.fed.us/library/brochures/docs/2012/ForestFacts_1952-2012_English.pdf

Profile of adjacent lands: Pine forests are typically managed on an even-aged basis with a rotation age of 25 to 30 years. During this rotation, the pine stand may be thinned one to two times prior to final harvest. Most pine forests are artificially regenerated with pine seedlings planted by hand or machine to defined stand densities. Chemical and/or mechanical site preparation is typically used to manage the less desirable hardwood and herbaceous species at stand establishment. Chemical treatments are minimal or below label rates, do not kill all competing species, and last about two years so the pine seedlings can become established or “free-to-grow”. Fertilizers are not normally applied to these forests due to costs. Some private investment groups (e.g., REITS, TIMOs) may apply fertilizers on forests which are more intensively managed. However, these intensively managed pine forests represent a very small percentage of the overall pine forests in the supply basin. Hardwood forests can be managed either as even- or uneven-aged stands. Most hardwood stands are 40 to 50 years when harvested if managed as an even-aged stand. No site preparation or fertilizers are used on hardwood forests.

Link to BP’s Supply Base Report

Refer to the BP’s website: <https://varnwood.com/>

Refer to the BP’s SBP certificate page, which includes all reports: <https://sbp-cert.org/certificate-holders/varn-wood-products-llc-sbp-04-20/>

5.3 Detailed description of Supply Base

A quantitative description of the Supply Base can be found in the organisation’s Supply Base Report (SBR) file located on its entry page of the SBP Certificate Database. The following are summary statistics from the SBR:

Supply Base

- Total Supply Base area (ha): 18,557,462 ha of which 12,165,914 ha are forested (66%)
- Tenure by type (ha): privately owned (9,883,983) / public (2,281,931)
- Forest by type (ha): temperate (12,165,914)
- Forest by management type (ha): plantation (4,356,337)/managed natural (7,469,687)/natural (399,890)
- Certified forest by scheme (ha): (e.g. hectares of FSC or PEFC-certified forest)

	SFI	ATFS	FSC
AL	1,198,807	44,297	313,461
FL	718,397	36,581	51,539
GA	913,800	23,732	37,438
Total	2,831,004	104,610	402,438

Feedstock

- Total volume of Feedstock: tonnes or m³ - 0 - 200,00 tonnes *
- Volume of primary feedstock: tonnes or m³ - 0 tonnes
- List percentage of primary feedstock (g), by the following categories. - percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. Subdivide by SBP-approved Forest Management Schemes: (Not Applicable)
 - Certified to an SBP-approved Forest Management Scheme
 - Not certified to an SBP-approved Forest Management Scheme
- List all species in primary feedstock, including scientific name

- j. Volume of primary feedstock from primary forest 0 tonnes
- k. List percentage of primary feedstock from primary forest (j), by the following categories. Subdivide by SBP-approved Forest Management Schemes: (Not Applicable)
- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme
 - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme
- l. Volume of secondary feedstock: specify origin and type - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*.
- | | |
|--------------|------------|
| Pine Chips | 80% - 100% |
| Pine Sawdust | 0% - 19% |
- m. Volume of tertiary feedstock: specify origin and composition - the volume may be shown as a % of the figure in (f) and percentages may be shown in a banding between XX% to YY% if a compelling justification is provided*. Pine Shavings 0% - 19%

* Compelling justification would be specific evidence that, for example, disclosure of the exact figure would reveal commercially sensitive information that could be used by competitors to gain competitive advantage. State the reasons why the information is commercially sensitive, for example, what competitors would be able to do or determine with knowledge of the information.

Bands for (f) and (g) are:

1. 0 – 200,000 tonnes or m³
2. 200,000 – 400,000 tonnes or m³
3. 400,000 – 600,000 tonnes or m³
4. 600,000 – 800,000 tonnes or m³
5. 800,000 – 1,000,000 tonnes or m³
6. >1,000, 000 tonnes or m³

Bands for (h), (l) and (m) are:

1. 0%-19%
2. 20%-39%
3. 40%-59%
4. 60%-79%
5. 80%-100%

NB: Percentage values to be calculated as rounded-up integers.

5.4 Chain of Custody system

As applicable, all material is subject to the organization's COC procedures for sourcing certified and non-certified material. The organization sources material from certified sources under its valid COC certificate(s) per the following systems: FSC [PEFC](#) and/or SFI.

As applicable, any non-certified sources have been evaluated under the BP's COC Due Diligence System (DDS) or Controlled Wood procedures, as well as an SBE and/or duly approved Regional Risk Assessment.

6 Evaluation process

6.1 Timing of evaluation activities

Auditor name:	Kyle Meister	Auditor role:	Lead auditor
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Supplier audits	Primary supplier FMUs visited: N/A Secondary/Tertiary supplier interviews: 2
<i>Supplier sampling is determined using SBP sampling formulas described or cited in SBP Standard 3. Audit teams ensure to sample across the variety of forest ecosystems and/or feedstocks from which the organization sources, including by selecting different land ownership/management (e.g., small, public, private, etc.), harvesting types (thinning, final harvest), and feedstock type (primary, secondary, tertiary, hardwood, softwood, etc.).</i>	

A. Number of days spent on-site for evaluation:	2.5
B. Number of auditors participating in on-site evaluation:	1
C. Number of days spent by any technical experts (in addition to amount in line A):	0
D. Additional days spent on preparation, stakeholder consultation, and follow-up:	1
E. Total number of person days used in evaluation (A * B + C + D):	3.5

Site Name or Location:	Varn Wood Products, LLC	
Date and Time of Audit:	10-12 August 2020	
Audit Activity	Items to Review / Actions	Approx. Time
Day 1 Opening meeting (Microsoft Teams)	Introductions, auditor review of audit scope, audit plan and intro/update to SBP, FSC, and SCS standards and protocols, client description of organization	Aug 10 8:30 AM
Review of previous nonconformities (if applicable)	Review of evidence of corrective actions taken by organization since previous audit (records, documents, pictures, etc.)	9:00 AM
Review of CoC/SBP procedures, products, and material accounting	Written procedures, work instructions, feedstock description (see ID5E), product group list, accounting system (e.g., physical separation, percentage/volume credit method)	9:30 AM
Review of material balances and records	Auditor-selected sample of the following: material tracking system, summary of purchases and sales, invoices, shipping documents, training records, outsourcing agreements, other applicable SBP/CoC systems, procedures and records, tracebacks from certified outputs to eligible inputs	11:00 AM
Verification of calculations	Auditor-selected sample and verification of calculations for conversion factors, percentage claims, and credit accounts, as applicable	1:00 PM
Evaluation of trademarks	Review of auditor-selected sample of SBP/FSC/PEFC and/or SCS on-product and/or promotional trademark uses; review of any on-site trademark uses such as banners, posters, entryway signs	2:00 PM
SBP ST 5, ID5E; and Staff interviews	Review of GHG data collection (remote); Interviews with appropriate number and diversity of staff to assess knowledge of procedures related to their position	Aug 10-12
Remote inspection of facility	Review of physical inputs and outputs, material receipt, processing, storage, credit account (if applicable), sale, and overall control, and verification GHG control points	3:00 PM
Daily summary	Convene with all relevant staff to summarize day's audit findings and discuss next day's plan	4:30 PM

Day 2 Secondary/Tertiary Supplier Interviews (Conducted via Phone)	Agenda Review – Supplying secondary feedstock (2 secondary suppliers in total)	Aug 11 8:30 AM
Staff Interviews (Varn Wood Products, LLC) Phone or MS teams	Varn Wood Products, LLC: Interviews with EHS Manager and Human Resources Manager (or designated representatives)	9:45 AM
SBP ST 5, ID5E	Review of GHG data collection, SAR, SREG (if applicable) and interviews with relevant staff	10:30 AM
SBP ST 5, ID5E	Review of GHG data collection, SAR, SREG (if applicable) and interviews with relevant staff	1:00 PM
Daily summary	Convene with all relevant staff to summarize day’s audit findings and discuss next day’s plan	4:30 PM
Day 3 SBP ST 5, ID5E (Microsoft Teams)	Review of GHG data collection, SAR, SREG (if applicable) and interviews with relevant staff	Aug 12 8:30 AM
Auditor review of notes and preparation for closing meeting	Auditor review of notes and preparation for closing meeting.	1:00-2:00 PM
Closing meeting and review of findings	Convene with all relevant staff to summarize day’s audit findings and discuss next steps	2:00 PM

6.2 Description of evaluation activities

Refer to the audit itinerary above. For all SBP evaluations, SCS collects evidence using a combination of direct observation, document and record review, and interviews with stakeholders and the organization’s personnel & service providers. As reviewing all operations would be cost-prohibitive, SCS implements sampling techniques to ensure that all CCPs are assessed during evaluations. When relevant, other areas and locations are sampled during sequential audits to ensure that different aspects of the organization’s control systems are evaluated.

Results of any pre-evaluation visits: N/A

6.3 Process for consultation with stakeholders

SCS relies on its Master Stakeholder/Rightsholder List, which contains stakeholders and rightsholders that are identified by type (e.g. ENGO, Government/regulatory, Educational/Academic, Industry, Indigenous/Aboriginal/Tribal, etc.) This list is categorized by country and state/province at the very least, and for this consultation was filtered to omit any stakeholders/rightsholders that were not geographically relevant to the certificate holder/applicant’s supply base. A notification is sent out to all identified stakeholders/rightsholders after the BP’s consultation period has ended. Stakeholder/rightsholder comments that are received outside of regular consultation periods are fully considered. A stakeholder consultation was conducted for this audit and one comment was received.

7 Results

7.1 Main strengths and weaknesses

Strengths	Weaknesses
The BP has a well-organized document control system used to identify and locate policies and procedures related to its PEFC and SBP compliance. Record-keeping systems are readily accessible by relevant staff. Certificate Manager and other relevant personnel demonstrated knowledge of requirements, and maintain a training program with 3rd party consultant.	Refer to section 10.

7.2 Rigour of Supply Base Evaluation

NA, no Supply Base Evaluation conducted.

Is the current definition of scope adequate for the specific characteristics of the Supply Base and management systems in place?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are the means of verification and evidence provided enough to support the risk conclusion?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are mitigation measures implemented for specified risk sufficient and adequate?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA, no mitigation measures necessary
Are the personnel involved in the development of the Supply Base Evaluation (SBE) knowledgeable in the required fields?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<i>Refer to Section 10 for any deficiencies noted in the SBE.</i>	

7.3 Collection and Communication of Data

BP has a comprehensive set of records where all Standard 5 data is compiled and maintained. All compilation is conducted by organization's Controller. Energy use is invoiced by the month and requires no adjustment to match the reporting period.

7.4 Competency of involved personnel

The SBE was performed by a well-known Forestry Program certification consultant, in consultation with key organization employees. The Biomass Producer's management and control systems for SBP are the same as those used to meet the SFI Fiber Sourcing and PEFC Chain of Custody requirements. Key personnel tasked with implementing the management and control systems relating to SBP compliance are well trained and competent, with strengths in markets, silviculture, management, harvesting, and conservation issues. Their knowledge of SBP requirements is strong.

7.5 Stakeholder feedback

- No stakeholder comments were received before, during or after the evaluation.
- The following comments were received as described in the table below:

Stakeholder Comment	SCS Response
<p><i>This letter is in regard to Varn Wood Pellets (VWP) re-certification to the Sustainable Biomass Program (SBP) based on the Standard 1: Feedstock Compliance Report.</i></p> <p><i>On behalf of the Georgia Tree Farm Program, I have reviewed the Supply Base Report and offer these comments. The chart on page 4 of the report shows approximately 23,732 hectares of certified Tree Farm acreage in the sourcing area.</i></p> <p><i>As noted in the report, roundwood timber is purchased and processed through the sawmill at Varn Wood Products following all SFI requirements with the chips going to the pellet mill as secondary feedstock.</i></p> <p><i>Varn Wood Products has always supported businesses that use wood while creating markets for timber grown under the American Tree Farm System. They are members of the GA Sustainable Forestry Initiative (SFI) State Implementation Committee (SIC) and support the GA Tree Farm Program.</i></p> <p><i>In summary, the GA Tree Farm Program supports the re-certification to the SBP.</i></p>	<p>Through review of the SFI database entry, the BP's PEFC Chain of Custody and SFI Fiber Sourcing certificates were verified. It was found that around half of the sawmill's inputs are from SFI and/or ATFS certified sources, both of which are PEFC-recognized. Sawmill residuals are provided as certified inputs to the pellet mills via the PEFC credit account.</p> <p>To meet SFI requirements for Fiber Sourcing, the BP must support SFI programs such as SIC. The BP undergoes third-party audits, including field inspections, to maintain conformance to SFI Fiber Sourcing and PEFC Due Diligence System requirements. The assertions made in the stakeholder comment are thus confirmed.</p>

7.6 Preconditions

- No preconditions were issued.
- Preconditions were issued, all of which the organization closed as described in the Major NCRs noted in Section 10.

8 Review of Company’s Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB’s final risk ratings in Table 1, together with the Company’s final risk ratings. Default for each indicator is ‘Low’, click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

Risk was assessed by reviewing the evidence cited in the BP’s risk assessment to the finding, and then by reviewing the risk designation. The specified risks identified are due to conclusions made in the FSC-US NRA V1-0.

Table 1. Final risk ratings of Indicators as determined BEFORE the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Specified	Specified
2.1.3	Specified	Specified
2.2.1	Specified	Specified
2.2.2	Specified	Specified
2.2.3	Specified	Specified
2.2.4	Specified	Specified
2.2.5	Specified	Specified
2.2.6	Specified	Specified
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Specified	Specified
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

Table 2. Final risk ratings of Indicators as determined AFTER the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Company's mitigation measures

- NA, no mitigation measures.
- The organization implements the following mitigation measures

Indicators 2.1.2, 2.2.3, 2.2.4, 2.4.1

Central Florida CBA

1. The BP has contracted with Greener Options, Inc. to assist in the development and implementation of BP's certification programs. Greener Options, Inc. working with Biological Integrity, LLC attended the three FSC US Controlled Wood Regional meeting held in 2018. Mark Hughes, PhD, owner of Biological Integrity, LLC attended the Southeast Region meeting on July 31, 2018 in Atlanta, GA. Hughes actively participated in the discussion of mitigating measures for the HCVs during this meeting.

Gary Boyd, owner of Greener Options, Inc. has reviewed the FSC US Controlled Wood Regional Meeting final report findings with the BP specifically on recommended mitigation measures for the Central FL CBA.
2. The BP will work with suppliers who source wood fiber from this area to educate their suppliers, their loggers and landowners on the social benefits and values of pine flatwoods, threats from incompatible forest management activities, and opportunities for conservation through management that enhances biodiversity and reduces or eliminates these threats. This education and outreach measure will be documented using Secondary Supplier Audit Checklists.

Florida Panhandle CBA

1. The BP has contracted with Greener Options, Inc. to assist in the development and implementation of BP's certification programs. Greener Options, Inc. working with Biological Integrity, LLC attended the three FSC US Controlled Wood Regional meeting held in 2018. Mark Hughes, PhD, owner of Biological Integrity, LLC attended the Southeast Region meeting on July 31, 2018 in Atlanta, GA. Hughes actively participated in the discussion of mitigating measures for the HCVs during this meeting.

Gary Boyd, Greener Options, Inc., has reviewed the FSC US Controlled Wood Regional Meeting final report findings with the BP specifically on recommended mitigation measures for the FL Panhandle CBA.
2. The BP will work with suppliers who source wood fiber from this area to educate the suppliers, their loggers and landowners on the conservation values of aquatic biodiversity and Native Longleaf Pine Systems, threats from poorly implemented forest management activities, and opportunities for conservation through management practices that reduce or eliminate these threats, including but not limited to forest management activities on steep slopes, and practices that will prevent siltation. This education and outreach measure will be documented using Secondary Supplier Audit Checklists.

Late Successional Bottomland Hardwoods (LSBH)

1. The BP only purchases southern pine (*Pinus taeda*, *Pinus elliottii*, *Pinus palustris*, *Pinus serotina*, *Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV.
2. The BP has contracted with Greener Options, Inc. to assist in the development and implementation of BP's certification programs. Greener Options, Inc. working with Biological Integrity, LLC attended the three FSC US Controlled Wood Regional meeting held in 2018. Mark Hughes, PhD, owner of Biological Integrity, LLC attended the Southeast Region meeting on July 31, 2018 in Atlanta, GA. Hughes actively participated in the discussion of mitigating measures for the HCVs during this meeting.

Gary Boyd, Greener Options, Inc. has reviewed the FSC US Controlled Wood Regional Meeting final report findings with the BP specifically on recommended mitigation measures for LSBH.

3. The BP will work with suppliers who source wood fiber from these forest types to educate the suppliers, their loggers and landowners and communicate the social benefits & values of LSBH, threats from forest management activities & related loss of values, and opportunities for conservation through management that restores or maintains LSBH and reduces or eliminates these threats. This education and outreach measure will be documented using Secondary Supplier Audit Checklists.

Native Longleaf Pine Systems (NLPS)

1. The BP has contracted with Greener Options, Inc. to assist in the development and implementation of BP's certification programs. Greener Options, Inc. working with Biological Integrity, LLC attended the three FSC US Controlled Wood Regional meeting held in 2018. Mark Hughes, PhD, owner of Biological Integrity, LLC attended the Southeast Region meeting on July 31, 2018 in Atlanta, GA. Hughes actively participated in the discussion of mitigating measures for the HCVs during this meeting.

Gary Boyd, Greener Options, Inc. has reviewed the FSC US Controlled Wood Regional Meeting final report findings with the BP specifically on recommended mitigation measures for the NLPS.

2. The BP will work with suppliers who source wood fiber from these areas to communicate and educate suppliers, their loggers and landowners on the social benefits and values of NLPS, threats from forest management and related loss of values, and opportunities for conservation through management that restores or maintains NLPS and reduces or eliminates these threats. Communications should recognize the importance of the forest understory and fire to NLPS. This education and outreach measure will be documented using Secondary Supplier Audit Checklists.
3. The BP actively partners with the Longleaf Alliance through its membership in the Georgia Forestry Association and the Georgia SFI State Implementation Committee. Financial and in-kind support is documented for the education and awareness of private forest landowners implementing sustainable forestry practices.

Alliance for Zero Extinction (AZE)

1. Auchilla Wildlife Management Area
 - a) The BP only purchases southern pine (*Pinus taeda*, *Pinus elliottii*, *Pinus palustris*, *Pinus serotina*, *Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.
 - b) There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.
2. Ocala National Forest
 - a) There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.
 - b) If wood is harvested from the National Forest, the USDA Forest Service conducts environment impact studies, stakeholder consultations and oversees all timber harvesting on these forests within the HCV providing complete protection of the HCV.
3. Torreya State Park
 - a) The BP only purchases southern pine (*Pinus taeda*, *Pinus elliottii*, *Pinus palustris*, *Pinus serotina*, *Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.
 - b) There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.

IUCN Centre for Plant Diversity (CPD)

1. NA25 - Eastern serpentine flora
 - a) The BP only purchases southern pine (*Pinus taeda*, *Pinus elliottii*, *Pinus palustris*, *Pinus serotina*, *Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.
 - b) There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.
2. NA29 - The Central Highlands of Florida
 - a) The BP only purchases southern pine (*Pinus taeda*, *Pinus elliottii*, *Pinus palustris*, *Pinus serotina*, *Pinus echinata*) for its sawmill and wood pellet facility. Sand pine (*Pinus clausa*), which is the predominant overstory species for the is HCV, is not purchased or used.
 - b) There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.

Critical Ecosystem Partnership Fund

1. This vast designation includes all the other HCVs described within this risk assessment at a more site specific scale.
2. There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.

GreenPeace Intact Forest

1. There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.
2. No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior and the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the HCV.

WWF Global 200 Ecoregion - Southeastern Coniferous & Broadleaf Forests

1. The Southeastern mixed forests (NA0413)
 - a) WWF has declared more than 99% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands.
2. The Southeastern conifer forests (NA0529)
 - a) As stated above, WWF has declared most of this HCV has been reduced to less than 1% of its original size. The remaining examples of this HCV are known to occur on protected lands.
 - b) While the BP does use some longleaf pine (*Pinus palustris*), the company tracks the use of this species through the monitoring of its direct purchases of wood from the forest and through its secondary suppliers that are audited on an annual basis. Most longleaf pine purchased can be documented not coming from HCV areas as described by FSC HCV framework organizations.

The BP actively partners with the Longleaf Alliance through its membership in the Georgia Forestry Association and the Georgia SFI State Implementation Committee. Financial and in-kind support is documented for the education and awareness of private forest landowners implementing sustainable forestry practices.

Indicator 2.1.3

1. BP Supplier Agreements prohibit suppliers from knowingly supplying fiber that is sourced from lands that were converted to production plantation forest or non-forest lands after January 2008 or will be converted to plantation forest or none forest lands in the present or future.

2. BP monitors compliance through BMP audits and records compliance on the BMP compliance checklist as well as Secondary Supplier Audits.

Indicator 2.2.1, 2.2.2

1. BP maintains SFI Fiber Sourcing certification.
2. BP's Supplier Agreements and Logging Contracts contain requirements for suppliers to comply with state BMP guidelines.
3. BP conducts BMP compliance audits on harvest tracts to provide feedstock to the BP's sawmill.
4. BP annually accesses state SIC logger training databases to verify logger training status and conducts BMP compliance checks to verify supplier compliance with BMPs for primary feedstock.
5. BP annually audits secondary suppliers to evaluate their BMP compliance and use of qualified logging professionals.
6. BP reviews state BMP compliance reports.

Indicator 2.2.5

1. BP maintains SFI Fiber Sourcing certification.
2. BP's Supplier Agreements and Logging Contracts contain requirements for suppliers to comply with state BMP guidelines.
3. BP conducts BMP compliance audits on harvest tracts to provide feedstock to the BP's sawmill. Wood utilization is an item that is audited as part of the audit process.
4. BP annually accesses state SIC logger training databases to verify logger training status and conducts BMP compliance checks to verify supplier compliance with BMPs for primary feedstock.
5. BP annually audits secondary suppliers to evaluate their BMP compliance, use of qualified logging professionals and distribution of the "Forest Biomass Retention and Harvesting Guidelines for the Southeast".
6. BP reviews state BMP compliance reports.

Indicator 2.2.6

1. BP maintains SFI Fiber Sourcing certification.
2. BP's Supplier Agreements and Logging Contracts contain requirements for suppliers to comply with state BMP guidelines.
3. BP conducts BMP compliance audits on harvest tracts to provide feedstock to the BP's sawmill. Wood utilization is an item that is audited as part of the audit process.
4. BP annually accesses state SIC logger training databases to verify logger training status and conducts BMP compliance checks to verify supplier compliance with BMPs for primary feedstock.
5. BP reviews state BMP compliance reports.

Implementation of mitigation has started. Below are descriptions of how monitoring is occurring and initial outcomes by indicators.

Indicators 2.1.2, 2.2.3, 2.2.4, 2.4.1

Central Florida CBA

1. Consultant has reviewed the FSC US Controlled Wood Regional Meeting final report findings with the BP specifically on recommended mitigation measures for the Central FL CBA.
2. Monitoring occurs during annual supplier audits and documented using Secondary Supplier Audit Checklists.

Florida Panhandle CBA

1. Consultant has reviewed the FSC US Controlled Wood Regional Meeting final report findings with the BP specifically on recommended mitigation measures for the FL Panhandle CBA.
2. Monitoring occurs during annual supplier audits and documented using Secondary Supplier Audit Checklists.

Late Successional Bottomland Hardwoods (LSBH)

1. The BP only purchases southern pine (*Pinus taeda*, *Pinus elliottii*, *Pinus palustris*, *Pinus serotina*, *Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV.
2. Consultant has reviewed the FSC US Controlled Wood Regional Meeting final report findings with the BP specifically on recommended mitigation measures for LSBH.
3. Monitoring occurs during annual supplier audits and documented using Secondary Supplier Audit Checklists.

Native Longleaf Pine Systems (NLPS)

1. Consultant has reviewed the FSC US Controlled Wood Regional Meeting final report findings with the BP specifically on recommended mitigation measures for the NLPS.
2. Monitoring occurs during annual supplier audits and documented using Secondary Supplier Audit Checklists.
3. The BP actively partners with the Longleaf Alliance through its membership in the Georgia Forestry Association and the Georgia SFI State Implementation Committee. Financial and in-kind support is documented for the education and awareness of private forest landowners implementing sustainable forestry practices.

Alliance for Zero Extinction (AZE)

1. Auchilla Wildlife Management Area
 - a) The BP only purchases southern pine (*Pinus taeda*, *Pinus elliottii*, *Pinus palustris*, *Pinus serotina*, *Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.
 - b) There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.
2. Ocala National Forest
 - a) There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.
 - b) If wood is harvested from the National Forest, the USDA Forest Service conducts environment impact studies, stakeholder consultations and oversees all timber harvesting on these forests within the HCV providing complete protection of the HCV.
3. Torreya State Park
 - a) The BP only purchases southern pine (*Pinus taeda*, *Pinus elliottii*, *Pinus palustris*, *Pinus serotina*, *Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.
 - b) There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.

IUCN Centre for Plant Diversity (CPD)

1. NA25 - Eastern serpentine flora

- a) The BP only purchases southern pine (*Pinus taeda*, *Pinus elliottii*, *Pinus palustris*, *Pinus serotina*, *Pinus echinata*) for its sawmill and wood pellet facility. These species are not commercially found in this HCV as stated above.
 - b) There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.
2. NA29 - The Central Highlands of Florida
- a) The BP only purchases southern pine (*Pinus taeda*, *Pinus elliottii*, *Pinus palustris*, *Pinus serotina*, *Pinus echinata*) for its sawmill and wood pellet facility. Sand pine (*Pinus clausa*), which is the predominant overstory species for the is HCV, is not purchased or used.
 - b) There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.

Critical Ecosystem Partnership Fund

1. This vast designation includes all the other HCVs described within this risk assessment at a more site specific scale.
2. There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.

GreenPeace Intact Forest

1. There is a strong system of protection (effective protected areas and legislation) in place within the BP's defined supply area that ensures survival of this HCV.
2. No wood is harvested out of the described National Wilderness Area which is managed by the Department of Interior. If wood is harvested from the surrounding forests described above, The Department of Interior and the Georgia Forestry Commission conducts environment impact studies and oversees all timber harvesting on these forests within the HCV providing complete protection of the HCV.

WWF Global 200 Ecoregion - Southeastern Coniferous & Broadleaf Forests

1. The Southeastern mixed forests (NA0413)
 - a) WWF has declared more than 99% of this ecoregion having been converted. The remaining examples of this HCV are known to occur on protected lands.
2. The Southeastern conifer forests (NA0529)
 - a) As stated above, WWF has declared most of this HCV has been reduced to less than 1% of its original size. The remaining examples of this HCV are known to occur on protected lands.
 - b) While the BP does use some longleaf pine (*Pinus palustris*), the company tracks the use of this species through the monitoring of its direct purchases of wood from the forest and through its secondary suppliers that are audited on an annual basis. Most longleaf pine purchased can be documented not coming from HCV areas as described by FSC HCV framework organizations. The BP actively partners with the Longleaf Alliance through its membership in the Georgia Forestry Association and the Georgia SFI State Implementation Committee. Financial and in-kind support is documented for the education and awareness of private forest landowners implementing sustainable forestry practices.

Indicator 2.1.3

1. BP Supplier Agreements prohibit suppliers from knowingly supplying fiber that is sourced from lands that were converted to production plantation forest or non-forest lands after January 2008 or will be converted to plantation forest or none forest lands in the present or future.

- BP monitors compliance through BMP audits and records compliance on the BMP compliance checklist as well as Secondary Supplier Audits.

Indicator 2.2.1, 2.2.2

- BP maintains SFI Fiber Sourcing certification.
- BP’s Supplier Agreements and Logging Contracts contain requirements for suppliers to comply with state BMP guidelines.
- BP conducts BMP compliance audits on harvest tracts to provide feedstock to the BP’s sawmill. Fourteen (14) BMP inspections & five (5) re-inspections were completed in 2019-2020 resulting in BMP compliance of 100%.
- BP annually accesses state SIC logger training databases to verify logger training status and conducts BMP compliance checks to verify supplier compliance with BMPs for primary feedstock. 100% of suppliers/loggers were up-to-date with their logger training requirements.
- BP annually audits secondary suppliers to evaluate their BMP compliance and use of qualified logging professionals.
- BP reviews state BMP compliance reports.

State	Overall BMP Compliance %
Alabama	98.3%
Florida	99.6%
Georgia	94.4%

Indicator 2.2.5

- BP maintains SFI Fiber Sourcing certification.
- BP’s Supplier Agreements and Logging Contracts contain requirements for suppliers to comply with state BMP guidelines.
- BP conducts BMP compliance audits on harvest tracts to provide feedstock to the BP’s sawmill. Wood utilization is an item that is audited as part of the audit process. Fourteen (14) BMP inspections & five (5) re-inspections were completed in 2019-2020 resulting in BMP compliance of 100%.
- BP annually accesses state SIC logger training databases to verify logger training status and conducts BMP compliance checks to verify supplier compliance with BMPs for primary feedstock. 100% of suppliers/loggers were up-to-date with their logger training requirements.
- BP annually audits secondary suppliers to evaluate their BMP compliance, use of qualified logging professionals and distribution of the “Forest Biomass Retention and Harvesting Guidelines for the Southeast”.
- BP reviews state BMP compliance reports.

Indicator 2.2.6

- BP maintains SFI Fiber Sourcing certification.
- BP’s Supplier Agreements and Logging Contracts contain requirements for suppliers to comply with state BMP guidelines.
- BP conducts BMP compliance audits on harvest tracts to provide feedstock to the BP’s sawmill. Fourteen (14) BMP inspections & five (5) re-inspections were completed in 2019-2020 resulting in BMP compliance of 100%.
- BP annually accesses state SIC logger training databases to verify logger training status and conducts BMP compliance checks to verify supplier compliance with BMPs for primary feedstock. 100% of suppliers/loggers were up-to-date with their logger training requirements.

5. BP reviews state BMP compliance reports.

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). *Please use as many copies of the table as needed. For each, give details to include at least the following:*

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

10.1 2020 Desk Audit

NC number 2020.1	NC Grading: Minor
Standard & Requirement:	SBP-STD-2, clauses 11.7 and 12.1
Description of Non-conformance and Related Evidence:	
<p>The BP presented mitigation measures as justifications for reaching a low risk designation at the initial stage of the risk assessment which is not adequate justifications for reaching a low risk designation in the supply base. The indicators below do not conform with the risk rating requirements of STD 2, section 11. Specifically: Indicator 2.1.2 – The organization states southeastern conifer forests (NA0529) are HCVs in indicator 2.1.1 and cites management system type measures as low risk justification. The FSC Controlled Wood National Risk Assessment (CWNRA) for the USA consider the Southeast region specified risk for control of threats to HCV, and thus SBP indicator 2.1.2 cannot be justified as low risk. Indicator 2.1.3 - The FSC CWNRA indicates there is specified risk in the southeast region of the USA for risk of conversion, and thus SBP indicator 2.1.3 also cannot be justified as low risk. Indicators 2.2.1 and 2.2.2 - mitigation measures are cited as justifications for low risk: “Company requires that suppliers to harvest fiber in compliance with state BMPs to control the impact on the forests. Company conducts compliance checks to verify supplier compliance with BMPs.”, and thus a low risk designation cannot be concluded from the onset if mitigation measure are being implemented. Indicators 2.2.3 and 2.2.4 – justifications presented are a copy of HCV indicators 2.1.1 and 2.1.2, which are very different concepts from those covered by 2.2.3 and 2.2.4. Biodiversity is a broader concept as HCV and it was not made clear in the SBE how this was taken into account by the BP. This demonstrates insufficient knowledge and understanding of the SBE evaluation team. Indicators 2.2.5 and 2.2.6 – several mitigation measures are cited to justify low risk designation from the onset but the content of BMPs implemented is unclear. It is not described how BMPs are effective in meeting the criteria. It is also unclear if there is enough harvesting residue to keep the ecosystems in good conditions, and if independent studies have shown that the impact on water is effectively minimized. Thus, a low risk designation cannot be concluded at the initial risk assessment if mitigation measure are being implemented. Finding is graded as minor because the mitigation measures are in place, but the risk designation is incorrect. Evidence: Review of the Supply Base Report and Annex I dated 08.08.2019</p>	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Re-assessed indicators 2.1.2, 2.1.3, 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5 & 2.2.6 as “specified risk” from “low risk” and developed mitigation measures for these indicators. Revised and updated the Supply Base Report and Annex 1 to reflect this re-assessment of risk for these indicators and describe the added mitigation measures.
Findings for Evaluation of Evidence:	Review of updated SBR and Annex 1. This CAR is closed.
NC Status:	Closed

NC number 2020.2	NC Grading: Minor
Standard & Requirement:	SBP-STD-2, IN 2C clause 4.1
Description of Non-conformance and Related Evidence:	
The content of the SBR does not meet the SBP guidelines. The SBR is missing information for:-Section 2.1 is missing a comparison of the scale of harvesting compared to other forest-based industries and an overview of the proportions of SBP feedstock product groups. -Section 2.3 does not provide the required description of the process and results from the sampling program. - Section 4.1 does not provide a description of the scope of the evaluation – it does not indicate what the supply base is, nor what type of feedstock is involved. Evidence: Review of the Supply Base Report and Annex I dated 08.08.2019	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	<i>Revised and updated the Supply Base Report to include the above mentioned missing information. • Section 2.1 - Added in this section a comparison of the scale of harvesting compared to other forest-based industries and an overview of the proportions of SBP feedstock product groups (page 2). • Section 2.3 – Not Applicable because feedstock is only from secondary feedstock and no final fellings from stands with an expected rotation length of more than 40 years are used. • Section 4.1 – Revised scope of the evaluation to better describe the supply base and type of feedstock used.</i>
Findings for Evaluation of Evidence:	Review of updated SBR and Annex 1. This CAR is closed.
NC Status:	Closed

10.2 2020 Re-evaluation Audit

NC number 2020.3	NC Grading: Observation
Standard & Requirement:	ST 1, 2.2.8
Description of Non-conformance and Related Evidence:	
While the requirements and participation in SFI Fibre Sourcing, Plantation Management Research Cooperative (PMRC), and the SFI State Implementation Committee (SIC) include regional evidence that appropriate control systems and procedures for verifying that there is controlled and appropriate use of chemicals, and that Integrated Pest Management (IPM) is implemented wherever possible in forest management activities, the main way that chemical use is controlled in each state in the SB is through the use of licenced applicators to comply with federal EPA regulations. Evidence: SBE, 2.2.8	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 2020.4	NC Grading: Minor
Standard & Requirement:	ST 1, clause 2.7: 2.9.1 and 2.9.2
Description of Non-conformance and Related Evidence:	
While biomass is not likely sourced from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks, the BP's assessment only covers above-ground standing forest carbon stocks (e.g., FIA data). The assessment of feedstock from areas that had high carbon stocks in January 2008 and no longer have those high carbon stocks must specifically reference the 2008 cut-off date, and not just how the BP avoids sourcing from existing high carbon stock areas. Not only must the present situation be assessed, but also the past to exclude sourcing from areas that may have been converted from carbon rich ecosystems, such as wetland/peatland to ecosystems with less soil carbon (e.g., plantations).	

If the BP's risk designation should change as a result of the updated assessment, findings, Means of Verification (MOV), and Evidence may need to be updated for 2.9.1 and 2.9.2. Evidence: SBE, section 2.9.1 and 2.9.2	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 2020.5	NC Grading: Observation
Standard & Requirement:	ST 2, 6.2
Description of Non-conformance and Related Evidence:	
The BP records the place of harvesting and the identity of the primary wood processor responsible for the supply of inputs classified as SBP-compliant secondary feedstock. Most secondary and tertiary feedstock comes from the BP's own sawmill and planer mill. All feedstock types are properly named in the SBR (e.g., chips, shavings). However, shavings are reported as secondary feedstock, but meet the definition of tertiary feedstock. This is graded as an OBS because there is no clear indication in ST 2 that feedstocks reported in the SBR must meet the definitions in the SBP glossary of terms. Evidence: SBR, sections 2.5 and 13.5	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	This has been corrected in the SBR, sections 2.5 and 13.5.
Findings for Evaluation of Evidence:	Confirmed that changes were made during the 2020 audit.
NC Status:	Closed

NC number 2020.6	NC Grading: Minor
Standard & Requirement:	ST 2, 18.3
Description of Non-conformance and Related Evidence:	
<p>The SBR Annex 1 (SBE) presents findings, means of verification (MOV), and evidence reviewed for each indicator; however, the cited MOV and evidence do not always correspond or are sometimes missing from one or the other. It must be emphasized that none of these discrepancies leads to a fundamental change in the conclusion of determined risk. For example, in 1.1.2, the supplier agreements cited in both the MOV and evidence ensure that the feedstock can be traced back to the defined Supply Base (SB) as these ensure that there is information on the origin of the feedstock within the SB. In this case, some of the MOV are missing clear linkage to the evidence reviewed. The following indicators of the SBE had issues with MOV and evidence.</p> <ul style="list-style-type: none"> • 1.1.2: MOV listed are not all reviewed/elaborated in the evidence; • 1.1.3: Finding not described; • 1.3.1: MOV list two specific procedures that are cited in the evidence, but the evidence contains more policies & procedures; • 1.4.1: Supplier Agreements and Logging Contracts cited in MOV, but not evidence; • 1.5.1 and 1.6.1: MOV and evidence appear to be reversed; the MOV elaborates the evidence cited in these indicators; • 2.1.1: FSC US NRA cited in evidence, but not MOV; • 2.2.8, 2.3.3, 2.6.1, 2.7.1, 2.7.2, 2.7.3, 2.7.4, 2.7.5, 2.8.1: Employee interviews are cited as MOV, but what specific evidence has been obtained or expected to be obtained has not been clearly stated or otherwise clearly linked to the evidence presented; • 2.4.2: Additional documents are cited in the evidence (e.g., VWP-PROC-001 SFI Fibre Sourcing Procedures, SFI Annual Progress Report, PMRC Membership, GA SIC Committee Meeting Minutes) without a reference in the MOV; • 2.5.1: Bureau of Indian Affairs (https://www.bia.gov) is cited in the evidence but could not be found in the MOV provided (VWP-DOC-008a). Note that other evidence found in VWP-DOC-008a matches the finding, so there would be no change in the risk designation; • 2.7.1, 2.7.3, 2.7.4: Additional policies & procedures are cited in the evidence that are not in the MOV; 	

<ul style="list-style-type: none"> 2.7.5: PEFC Chain of Custody Procedures are cited as MOV, but both PEFC and SBP documents are cited in evidence; and 2.8.1: FSC US NRA cited in evidence, but not MOV. <p>Evidence: SBE 1.1.2, 1.1.3, 1.3.1, 1.4.1, 1.5.1, 1.6.1, 2.1.1, 2.2.8, 2.3.3, 2.4.2, 2.5.1, 2.6.1, 2.7.1, 2.7.2, 2.7.3, 2.7.4, 2.7.5, and 2.8.1</p>	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 2020.7	NC Grading: Minor
Standard & Requirement:	ST 2, 18.4
Description of Non-conformance and Related Evidence:	
Mitigation measures are recorded in the SBR. Results from monitoring (referred to as “outcomes” in the SBR) and any subsequent changes to mitigation measures have not been updated at least once per year in an annual update of the SBR (i.e. every 12 months). Per review of section 9.2 of the SBR and interviews with staff, monitoring has occurred, but outcomes have not been reported in the SBR.	
Evidence: SBR, section 9.2	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	<i>Click or tap here to enter description provided by Company to close the NC.</i>
Findings for Evaluation of Evidence:	<i>Click or tap here to enter findings for evaluation of evidence by the auditor.</i>
NC Status:	Open

NC number 2020.8	NC Grading: Minor
Standard & Requirement:	ST 5, 5.1
Description of Non-conformance and Related Evidence:	
The average moisture content for fine biomass residues used as biomass fuel as calculated in the SAR Summary Excel file does not match the value reported in the SAR.	
Evidence: SAR, section 3.5; and SAR Summary Excel file, tab 8 (K388)	
Timeline for Conformance:	Other: before SAR can be approved.
Evidence Provided by Company to close NC:	The table under section 3.5 has been corrected.
Findings for Evaluation of Evidence:	The figure under section 3.5 for moisture of biomass fuel now matches the SAR Summary Excel file calculation.
NC Status:	Closed

NC number 2020.9	NC Grading: Minor
Standard & Requirement:	ID5E, 6.4.3
Description of Non-conformance and Related Evidence:	
Since the BP has four feedstock groups, two of which are sourced from its own sawmill and planer mill located on the same site as the pellet mill. For the two outside suppliers of chips used during the reporting period, each supplier used a single transport route. The BP reported the maximum distance based on alternate routes suggested by Google Maps, but in reality, these alternate routes are impractical and simply not used. This was confirmed via review of Google Maps and interviews with staff.	
Evidence: SAR, table 2.1, SAR Summary Excel file (Feedstock-SAR tab), Google map routes for two external suppliers.	
Timeline for Conformance:	Other: before SAR can be approved
Evidence Provided by Company to close NC:	We have corrected the distances in the SAR. All external suppliers have a transport ratio of 1:1.
Findings for Evaluation of Evidence:	The corrections to Table 2.1 of the SAR were verified.

NC Status:	Closed
NC number 2020.10	NC Grading: Observation
Standard & Requirement:	ID5E, 6.9.2
Description of Non-conformance and Related Evidence:	
BP receives feedstock that requires no additional drying (e.g., shavings) and therefore bypasses the drum-dryer used to dry green secondary feedstock (e.g., sawdust). The bypass is reflected in table 3.3.b by reporting the moisture content of the finished biomass product, which means that completing table 3.3.a is not necessary.	
Evidence: SAR, tables 3.3.a and 3.3.b	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	Table 3.3.a was marked as NA and data removed.
Findings for Evaluation of Evidence:	Confirmed that 3.3.a is NA and table 3.3.b is complete.
NC Status:	Closed

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:

Certification decision:	Certification approved
Certification decision by (name of the person):	Sebastian Häfele
Date of decision:	26/Sep/2020
Other comments:	<i>Click or tap here to enter text.</i>